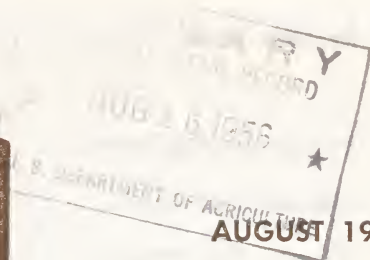


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Agricultural Situation



AUGUST 1956

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Agricultural Marketing Service
U. S. Department of Agriculture

WHAT KIND OF MEAT ARE YOU PRODUCING?



Do livestock producers make more money by trying to please the housewife who buys their beef, pork, veal, and lamb?

Do their customers, the consumers, prefer beef from heavy or medium weight cattle? The top or medium grades of beef? What is the trend in production of meat?



The housewife-shopper's wishes and preferences, her likes and dislikes, definitely have much to do with the kind of product that can be produced and sold with most profit. They must be harkened to.

The consumer of today is quality-conscious. We can't examine here all her wants and wishes. We can stress that she is sensitive to quality, and that she insists on uniformity and dependability.



- In the future, consumers can be expected to insist even more on uniform, reliable quality, and to be receptive to new products of high quality.

- Pork producers will be hard pressed to maintain their place with beef, but with the aid of an improved, meatier pork, may be able to do so.

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Articles In This Publication

Editor: Jack L. Flowers
Assistant: Marcelle Masters

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

● Even more cattle will be fed, and in year-round programs, but not quite to so high finish as in the past.

● Probable weights of cattle are more of a puzzle. Heavy beef carcasses have incurred price discounts, yet producers prefer to raise a fairly sizable animal that can take lots of feed. For the near future, weights may be no more than moderately heavy. Later, changes in merchandising and cutting could relieve some of the objections to heavy weight.

New Methods

Two new forms of handling meat that are now under study and development could have great effects on the kind of meat supplied to consumers. They are quick freezing and irradiation. Both would reduce perishability, permit cutting and packaging at the packing plant, and have several other consequences. Their widespread adoption is at least several years off. They are, for now, something to think about.

But right now, let's see how some of the past trends in livestock and meat match the present preferences of consumers.

The outstanding trend in production of meat is the increase in supply of beef relative to pork. From 1920 to 1929, the average consumption of beef per person was 56 pounds. Last year it was 81 pounds. In 1920-29, consumption of pork was 67 pounds. Last year it was no larger. In fact, it was a little less—just 66 pounds.

It would be wrong to ascribe all this relative increase in beef to the influence of consumer demand. However, with

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little question, demand for beef has outrun that for pork.

In the 1920's, when many beef steers were sold as 3-year-olds or older, cattle slaughtered under inspection averaged 961 pounds. Weights decreased in the 1930's, but have increased since. Weights of calves, lambs, and hogs have generally increased, though hogs are not as heavy now as during the war.

Cattle Weights?

Have these heavier weights reflected the wishes of consumers? For cattle, calves, and lambs, yes. For hogs, no.

Heavier weights of cattle have been associated with higher finish, which, within limits, consumers have seemed to prefer. Recently, however, there has been some reversion against too much weight and finish.

Heavier weights for calves result from more beef calves slaughtered. Those for lambs testify to improvement in slaughter types, though late each winter some objectionally overfat lambs are marketed.

Hogs that are too heavy and fat do not produce the kind of pork consumers want. Lighter hogs meet consumer preferences better. However, the question of meat versus fat hog is not simply one of weight.

Beef is a clear case where quality of product has been improved to suit consumer choices. A higher percentage of all cattle are now beef cattle. We have more beef cows than milk cows in the

January inventory, whereas in the 1920's and 1930's milk cows outnumbered beef cows 2 to 1.

An increasing number of cattle are fed. The nearly 6 million cattle on feed January 1 the last few years is twice that of the early 1930's. It is true that cattle slaughter also has doubled, but year-round feeding is so common now that the January count understates seriously the total volume of feeding.

Roughly 45 percent of all beef in the last 3 years has been produced from fed cattle. In the late 1920's, probably somewhere near 30 percent of all beef was fed beef.

Moreover, of all fed cattle, more have been of Choice grade. Choice has drawn away from both the higher finished Prime, and the less finished lower grades.

The chart on page 4 shows that at Chicago, Choice steers have increased from 38 percent of all beef steers 30 years ago to 55 to 60 percent now. The percent of Prime advanced until war-time, then decreased. The percent below Choice has been cut in half.

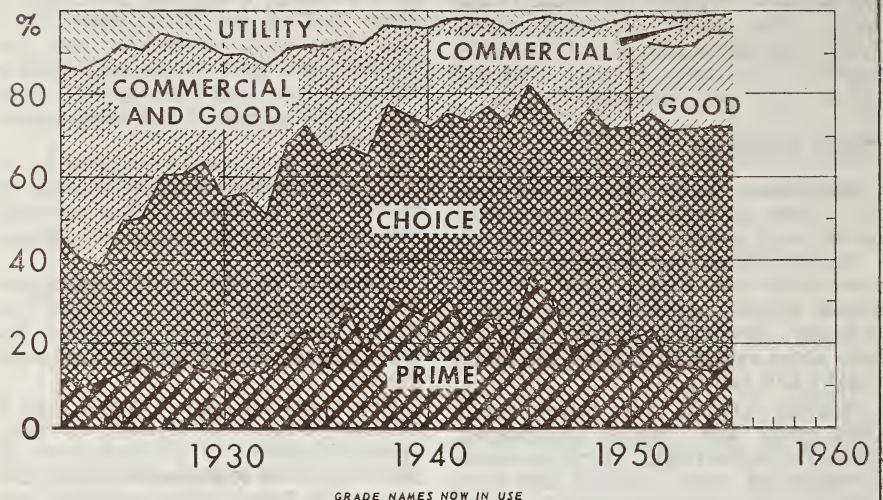
Quality Standards

After livestock have been produced, quality of meat is standardized in 2 ways, by grading and by processing. Grading is a procedure for getting uniformity through sorting. It is usually applied to a product in its fresh or natural state. The Department of Agriculture offers a voluntary grading

**Average Liveweight of Livestock Slaughtered Under Federal Inspection,
Averages for Selected Periods, 1921 to Date**

Period	Cattle		Calves	Sheep and lambs	Hogs
	Total	Steers			
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
1921-29.....	961	-----	174	81	228
1930-39.....	933	-----	184	83	229
1940-49.....	947	977	206	91	249
1950-55.....	979	1, 005	217	97	243

DISTRIBUTION BY GRADES OF BEEF STEERS SOLD AT CHICAGO



U. S. DEPARTMENT OF AGRICULTURE

NEG. 3316-56 (5) AGRICULTURAL MARKETING SERVICE

service for meats. It has been widely utilized.

The quantity of beef graded has risen from less than 10 percent of commercial production before the war to more than 45 percent now. For veal, the increase has been from 1 percent to more than 20 percent, and for lamb and mutton from 3 percent to 30-35 percent.

Some packers and retailers set up their own grades and grade names for fresh meats. However, the greatest use of private brands in meats is in processed meats. Here there is manufacture, permitting much standardizing of quality. Output of sausage equaled 6 percent of commercial meat production before the war, and is up to above 7 percent now. But fastest expansion has been in canned meat. Its output, at less than $\frac{1}{2}$ billion pounds before the war, reached $1\frac{1}{2}$ billion last year. With imports also increasing, consumption of canned meat per person has risen from 3 pounds to a record 10 pounds last year.

Yes, if the housewife-shopper were a diamond crown and carried a golden sceptre, she would wield no more power than she does as a consumer choosing the goods she wants. Her enhanced authority is a product of our age. It isn't that she has become more exacting in her demands, but that her income is higher, allowing more freedom to select, and she has a wider range of choice open to her. The wealth of products of farm and industry now on grocers' and department stores' shelves lets her exercise her right of selecting at will. What she selects has much meaning to producers—of all goods, and of livestock.

Harold F. Breimyer
Agricultural Economics Division, AMS

Do Livestock Feeders Have "Bargains"?

Watch for the September issue of
the AGRICULTURAL SITUATION.

CATTLE ON FEED IN MAJOR STATES DOWN 10 PERCENT FROM LAST YEAR

The number of cattle and calves on feed for market in 13 major feeding States on July 1 was estimated at 3,296,000 head, down 10 percent from this time last year, according to the Crop Reporting Board.

These States are Ohio, Indiana, Illinois, Minnesota, Iowa, Missouri, South Dakota, Nebraska, Kansas, Texas, Colorado, Arizona, and California.

Down 22% From April 1

The seasonal decline from April 1 to July 1 of this year was 22 percent. The April 1 number declined 6 percent from the same date in 1955, while the number on feed January 1, 1956, was 1 percent more than on January 1, 1955.

In the 9 Corn Belt States, the number of cattle on feed on July 1 was estimated at 2,553,000 head, down 11 percent from the same date last year and down seasonally 26 percent from the 3,450,000 head on feed April 1 this year.

Including an allowance for Michigan and Wisconsin, the number on feed in the 11 Corn Belt States was also down 11 percent from the number on July 1, 1955. Shipments of stocker and feeder cattle into the 9 Corn Belt States during the April-June period were 7 percent below the same period last year. However, placement of local feeder cattle are apparently well above a year earlier.

The number of cattle on feed in Iowa on July 1 was estimated at 1,025,000 head, 6 percent below the 1,090,000 on feed a year ago.

In Illinois, the number on feed totaled 412,000 head. This was 9 percent less than the 453,000 on feed a year ago.

Nebraska feed lots had 320,000 head on July 1, compared with 432,000 head a year ago, or 26 percent less.

The number of cattle on feed in California on July 1 was estimated at 398,000 head, 13 percent below the 457,000 on feed a year ago, but 34 per-

cent more than the 297,000 head on feed April 1 this year.

In Colorado, the number on feed totaled 154,000 head. This was 14 percent less than a year earlier and 20 percent less than the April 1 number.

Arizona feed lots had 117,000 head on July 1, compared with 170,000 on April 1 and 120,000 head on July 1, 1955.

Texas has shown a substantial increase over a year earlier for each quarter this year. January 1 was 8 percent above a year earlier; April, with 93,000 on feed, was up 11 percent; and July 1, with 74,000 on feed, was up 48 percent from a year ago.

In the 13 States, the number on feed over 3 months is 18 percent less than a year ago, while those on feed less than 3 months number 4 percent more than last year. As a percent of total on feed, the number on feed less than 3 months was 40 percent, compared with 35 percent a year earlier. Cattle on feed 3-6 months represented 32 percent of the total both years, while those on feed more than 6 months accounted for 28 percent this year, compared with 33 percent last year.

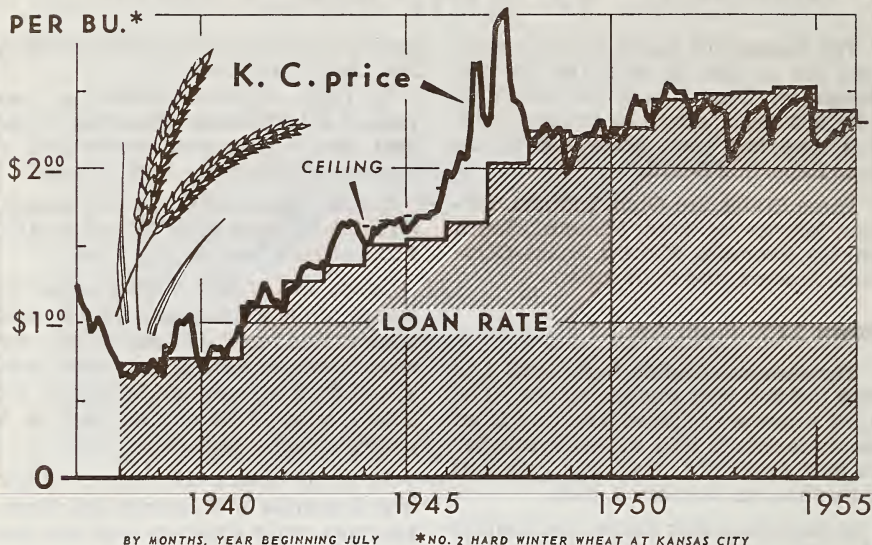
Heavy Cattle Down Most

Estimates of cattle on feed by weight groups indicate that most of the decrease occurred in the heavier cattle. The number of cattle weighing over 900 pounds on July 1 was 18 percent below a year ago. Those weighing under 600 pounds were down 11 percent, while those weighing from 600-900 pounds were down 5 percent.

Steers on feed July 1 represented 68 percent of the total compared with 70 percent a year ago. Heifers accounted for 28 percent, compared with 25 percent the previous year. Calves comprised 4 percent of the total on feed July 1 in each of the past two years.

E. B. Hannawald
Agricultural Estimates Division, AMS

WHEAT PRICES AND LOAN RATES



U. S. DEPARTMENT OF AGRICULTURE

NEG. 836-56 (6) AGRICULTURAL MARKETING SERVICE

Farmers usually get the highest prices for their wheat during the last 3 or 4 months at the end of the marketing season and the lowest prices in the summer months.

In 17 of the last 18 marketing seasons, shown in the chart, wheat prices were lowest in June, July, or August. In 13 of these last 18 years, prices were highest in March or later. These are monthly average cash prices for No. 2 Hard Winter wheat at Kansas City.

In 3 of the last 4 years, monthly average prices did not reach the loan rate. In all other years, prices generally exceeded the loan at some time during the season. Except for 1946-47 and 1947-48, when demand for wheat was exceptionally strong, prices averaged around the "effective" loan level for the season.

Hard wheat prices at Kansas City adjusted downward from mid-May to early July, influenced by new crop prospects and movement of the crop to market. Prices of hard winter wheat in early July were almost as much below the loan as they were a year earlier.

The price of Soft Red Winter wheat, No. 2, at St. Louis in mid-July was around 20 cents below the loan, compared with 35 cents below the loan a year earlier. Firmer soft red winter wheat prices reflect the relatively small carryover and reduced production of this class of wheat.

Changes in wheat export programs will assure that wheat for export will be drawn primarily from free market supplies rather than from CCC stocks.

With these changes and the 1956 crop estimated at less than likely disappearance, prices for the marketing year 1956-57 may average slightly higher relative to the loan rate, which was announced at \$2.00 per bushel, than in 1955-56. The price received by farmers, including unredeemed wheat at the loan rate, in the year just ended averaged \$1.98, 10 cents under the average loan rate of \$2.08.

Robert E. Post

Agricultural Economics Division, AMS

DAIRY FARMERS GET MORE MONEY

The picture for dairy farmers at mid-year sums up about like this:

- Prices for milk and butterfat continued above a year earlier and were down less than the usual seasonal amount from early this year.

- Output of milk in the first 6 months of 1956 totaled 67.4 billion pounds, 4 percent more than a year earlier.

- Consumption of milk in fluid form continues to show some increases.

- CCC purchases of dairy products in April-June, the first quarter of this marketing year, were about the same as a year earlier.

The Next 6 Months

Prices to farmers for milk and butterfat will continue above 1955 through the remainder of 1956 but probably by less than the increase of recent months.

With the volume of sales considerably higher than last year, cash receipts from dairy products promise to be around the 1952 record of 4.6 billion dollars compared with 4.2 billion in 1955. Net income from dairying, however, will not be up as much since the cost for some items also is running larger.

More favorable dairy feed price ratios and other price relationships for dairying will tend to encourage continued increases in milk production. Barring widespread and severe drought, the milk flow probably will continue near a year earlier for the next few months but may again show sizable increases toward the year's end. For 1956 as a whole, output will total around 127 billion pounds compared with 123.5 billion in 1955, the previous record.

Feed grain production in 1956 (based on July 1 conditions) will total about 5 percent smaller than last year, but will be sufficient to meet 1956-57 needs for livestock now on farms and leave another large carryover into 1957-58.

Dairy pastures on July 1 averaged 78 percent of normal, the poorest condition for that date since the drought year of 1936.

Use of dairy products this year on a per capita basis will be about the same as last year or possibly a little higher. Because of the growth in population, however, total use will rise significantly.

MORE DATA GIVEN ON POTATO CROP

More timely and useful information on the various seasonal potato crops is now being issued by the Crop Reporting Board.

The report on total production is now divided into 6 seasonal groups on the basis of time of harvest. The seasonal breakdown includes winter, early spring, late spring, early summer, late summer, and fall.

Production in 22 States is now divided among two or more of these seasonal groups. Within each seasonal group, total potato production on farms is being estimated and published in the monthly Crop Production Report.

This pattern of seasonal reports replaces the one that showed annual production separately by States for 13 early, 7 intermediate, and 29 late States. It also replaces the seasonal pattern formerly shown for "commercial early" potatoes in the early producing areas.

Beginning with the July report, all yield and production estimates are now being given on a hundredweight basis instead of bushels. The July report also carried revisions of the previous year's acreage, yield, and production—information which formerly had not been available until the December crop report.

The first forecast of yield and production for the fall crop was shown in the August 1 estimates released on August 10. Formerly, the first forecast of production of fall potatoes, which comprises about 65 percent of the year's production, was made as of July 1.

Farm production in 1956 is likely to be below the record levels reached in 1955. Although production of livestock products probably will top last year's peak, crop output will likely be substantially below the near-record crop outturn of 1955 if weather conditions are average the rest of the year. According to July 1 indications, acreage of all crops harvested will be down about 1 percent from last year.

Exports

The value of agricultural exports for the year ending June 30, 1956, is estimated at about 10 percent above the previous year. For calendar 1956, a substantially larger increase is expected. This is based on a resurgence of cotton exports (CCC sales for export after August 1 now total 2½ million bales) and continued high exports of most other commodities.

In addition to the improved ability of major foreign countries to pay for U. S. commodities, United States Government export programs, including CCC sales at competitive prices, assure that neither lack of financing nor high prices will be a deterrent to exports.

Livestock and Meat

Hog production is declining while cattle production continues at record levels. Slaughter of hogs this summer and fall will probably be below the same period last year; slaughter of sheep and lambs may be down a little, while cattle slaughter may at least equal last year. Total meat output in summer and fall will drop under year-earlier levels, but production for the year will set a new high.

Further seasonal price advances for hogs this summer will likely be limited by volume marketing of early spring pigs. The seasonal decline this fall will be less than the sharp reduction of last fall. Hog prices will likely be above 1955 prices during most of this period with the widest margin over a year earlier expected at the year's end.

Cattle slaughter in the first half of 1956 averaged about 4 percent above the corresponding period of 1955. It included more steers, slightly more heifers and fewer cows. Total slaughter in the second half is expected to equal or exceed the last half of 1955, but the quantity of beef is less likely to increase since carcass weights will be considerably lighter. Second half slaughter will include more cattle off grass and fewer from feed lots.

This points to probable seasonal increases in prices for fed cattle, which may climb above a year earlier. Prices for grass cattle will decline seasonally. They are currently below last year and may stay below for a time. Reluctance of feeders to fill feedlots because of unsatisfactory profits last winter has been a price-depressing factor. Feeder cattle prices this fall will depend not only on feeders' confidence, but also on range and crop condition.

Poultry and Eggs

Production of broilers and turkeys in 1956 will be record large, exceeding 1955 by perhaps 20 and 15 percent. Egg production also is likely to set a new record, rising perhaps 2 percent or more above the 1955 high.

Egg production to July 1 was less than 1 percent ahead of last year, but production in the rest of the year will reflect the year-to-year upward trend in fall rate of lay and the increased number of pullets following the larger replacement hatch this spring.

The prospect is for 1956 egg prices to rise seasonally but the peak may come earlier and be lower than the U. S. average of 47.1 cents per dozen received by farmers in December 1955.

Marketings of broilers will continue about a fifth above last year at least through August. Even though feed prices on the DelMarVa Peninsula have risen as much as \$10 per ton since the beginning of 1956, broiler chick placements continue large. One reason for this is the way in which production is financed; this has shifted much of the cash risk from farmers to others.

The turkey crop now growing includes fewer light-breed turkeys than last year, but more heavy-breed birds. The total crop will be a record, probably about 10 million more birds than the 65.6 million raised in 1955.

Fats and Oils

Supplies of food fats other than butter in the marketing year beginning October 1, 1956, probably will be almost as large as this year's record quantity on the basis of July 1 indications. Production probably will be about as high, with reduced output of lard and cottonseed oil offset by record production of soybean oil. Beginning stocks of edible oils are likely to be smaller.

Supplies of butter in 1956-57 will be moderately less than the year before because of a large decline in beginning stocks. There is not likely to be much change in production.

Feed

Another big supply of feed grains and other concentrates, totaling about 195 million tons, is in prospect for 1956-57. This would be within 1 percent of the record supply last year and 13 percent above the 1949-53 average.

Production of feed grains, indicated in July at 124 million tons, is 7 million tons below last year's big crop, but the carryover is expected to be about 5 million tons larger than the record of 39 million tons last year.

A reduction in livestock numbers is in prospect, principally in hogs, and the feed concentrate supply per animal unit is expected to be slightly larger than in 1955-56. A supply of this size would be sufficient to meet the prospective livestock requirements and leave another big carryover into 1957-58.

Cotton

Consumption of cotton by domestic mills from August 1, 1955, through May 26 totaled about 7,786,000 bales. This

compares with about 7,426,000 during approximately the same period a year earlier.

Exports from the U. S. from August 1, 1955, through May 1956 were about 1,842,000 running bales. This compares with approximately 3,107,000 bales in the same period a year earlier.

Acreage in cultivation to cotton on July 1, 1956, was 16,962,000 acres. This compares with 17,506,000 acres a year earlier and is the smallest acreage in cultivation since records began in 1909. It is smaller than harvested acreage in any year since 1884.

Total stocks of cotton in the United States on August 1, 1956, are estimated at about 14.7 million bales. Of this total, CCC probably will hold more than 10 million bales. The carryover on August 1, 1955, was 11.2 million bales including CCC stocks of 8.1 million.

Fruits and Vegetables

Total supplies of deciduous fruits during August probably will be about the same as a year earlier. But in September, when late-season fruits ripen, supplies are expected to be somewhat lighter.

Total production of vegetables for summer harvest is expected to be about 4 percent higher this year than last.

About 1 percent more potatoes than last year are in prospect for summer harvest; 1956 production, exclusive of the crop for fall harvest, is indicated (as of July 1) to be about 2 percent smaller than last year.

Wool

The shorn wool payment to the individual producer under the 1955 incentive program will amount to 44.9 percent of the net received from the sale of his shorn wool. The payment rate on lambs (pulled wool compensatory payments) will be 77 cents per hundredweight of live animal sold for slaughter.

"Bert" Newell's

Letter

To Crop and Livestock Reporters

Every Fourth of July, for the past several years, we have a parade in our neighborhood that I wouldn't miss for anything. Coming from a fellow who lives in Washington, where parades are a dime a dozen, that's quite an admission. Not that I am "agin" parades—they are great institutions—but here where we have so many it really takes quite a spectacle to get me to walk even a block or two to watch.

This neighborhood parade of ours though is something different. There are no smartly dressed and precision-marching military contingents, no elaborate floats—in fact, no floats at all—and none of the usual elaborate things that turn out thousands of watchers. Leading the parade is usually a little boy or girl carrying a flag that's just about all they can manage, and last year marching right along with the leader was a little boy who had had polio but was getting along pretty well with his leg braces, although I noticed he got a little assist every now and then from some of the other kids or his daddy who followed the line of march to give a lift when he got too tired. Next came the band, and what a band.

The leader, and the fellow who really organized the parade, was about 25 years old who doubled with a fife and trumpet. He did pretty well, at least he played loud, and there was no mistaking what tune he was playing. Then came the bass drum—that required at least two little boys who performed their duties with great enthusiasm with little regard to whether they made two booms where there should have been just one or not.

The biggest and most interesting section of the band though was the cymbals group. The cymbals consisted of everything that would make a noise when banged together from a real pair of cymbals to a pair of kettle lids that one curly-haired little 4-year-old had

borrowed from her mother's kitchen. Then came the marchers ranging in age from 3 to 13 or so. Each one with a flag ranging from about a foot high to as big as a particular marcher could carry. Bringing up the rear was the mounted troop—boys and girls on their bicycles.

But the best part of all the parade was the look on those little faces. Boy, it just made a fellow fill up inside to see the broad smiles and sparkling eyes of those kids.

I know that things like this happen in lots of communities all over the country and are kind of indicative of our way of life. I even like to think that this cooperative reporting service of ours is an expression of the same spirit—where literally thousands of people all over the country are working together, not because they have to, but because they want to, for the benefit of all.

Now I want to thank all of the folks who wrote in comments on the Agricultural Situation. Your response was so generous I couldn't hope to answer each one. They were all good and will prove most helpful to us in the further development of this little publication, "The Agricultural Situation". I was really a little surprised at the number who read this letter and Jack Flowers was really pleased that you had noticed his "new dress." Thanks a lot—we'll continue to do our best.

This is just a little extra note to bring you up to date on some of the new things being added to the Crop and Livestock Estimating Program this year. It is always interesting to us here that, despite criticisms we may get on some of the reports we issue, groups which are not getting service, or those which require more or better information, are strong in their protests if they are not provided adequate service.

You may remember a couple of years ago the turkey people were in trouble

because they said they had to operate in the dark since so little information was available to guide them in their production and marketing work. Funds were provided and we now have a very comprehensive program covering turkey production.

During the past year or so several groups have encountered difficulties and have requested help. In line with this, additional funds have been provided so that this year several new or modernized crop and livestock reporting services will be instituted.

The first of these, and you may have already noticed it, is the new program for potato estimates. The old program, in effect for a great many years, grew up around State or geographical groupings, becoming obsolete with the change in production and marketing practices. The new program has been developed to follow more closely the marketing pattern. (*See full story on Page 7.*)

Another new feature has to do with the quarterly pig crop report. As you may know, for several years a number of the States have been cooperating in putting out a quarterly pig crop report for the individual States. During the coming year these reports will continue to be put out by the States but with the added help we will also prepare a consolidated report for nine of the important Corn Belt States cooperating in the program. We feel pleased about this because it is still a cooperative report with the States concerned but we have worked together in developing the individual State reports along uniform lines so it is now possible to issue a summary for the whole area.

Another and entirely new report will cover the production of certain cut flowers and nursery products. I don't know how many of you realize it, but according to the Census figures for 1949, the annual value of sales of certain of these horticultural specialties amounted to \$392,000,000, or nearly 2 percent of all farm sales. This group of producers has had practically no information on the annual production and value of sales to assist them in their production and marketing planning. The new program will provide one report a year and those who have

been contacting us seem quite pleased that they are to receive this service.

A new report will be issued on corn that will provide some information on the moisture content of the crop at about harvest time. Corn producers have told us for many years that the estimate of total production was not enough, that they needed more information on the quality of the crop. Of course, we cannot go into all of the detail necessary to measure the quality, but we can provide something in regard to the moisture content which will be very useful information for producers and feeders.

It's just about as important to know quantities of things held in storage as the total production. With the rapid changes that have taken place in marketing in recent years, our reports on cold storage holdings have fallen far behind the need of our whole agricultural industry. This coming year we plan some definite improvements. More detailed information on stocks of pork, turkeys, and other commodities will be provided. This should help all of us in appraising the current and future market situation.

Have you noticed in your neighborhood the increasing number of places selling "ice milk"? I have noticed the increase here and in almost every place where I travel. The production of cottage cheese seems to be increasing too. I don't know how big a change has occurred in the production of these products in the last year, and neither does the industry. Consequently we had several strong requests to add these commodities to our estimates of the current output of manufactured dairy products. So, this year, we are instituting a new series of estimates on the current monthly production of ice milk and cottage cheese.

These are important developments in our program for the coming year. I thought you would like to know about them so that you can keep abreast of what is going on in your Crop and Livestock Estimating Service.



S. R. Newell, Chairman,
Crop Reporting Board, AMS

POULTRY PRODUCERS CAN GET MANY REPORTS ON MARKETING

Poultry producers have a "third arm" when you use complete marketing information. Some of the marketing aids published by the Agricultural Marketing Service are used, but sometimes only the highlights of valuable information reach the farmer and the processor.

The Market News Service is generally used by poultry and egg producers. There are 35 market news collecting points that are located at market centers throughout the United States.

Up To Date

The collecting points of the Department of Agriculture send out daily and weekly reports for local and national use. Radio, television, and newspapers carry this information to producers, processors, and consumers as soon as it is released.

The market news reports keep the producer up to date on prices; give market comments as to the tone of weekly and monthly trading; include statistics of market receipts, storage holdings, movement of eggs and poultry to retail, national poultry slaughter weekly, and the receipts of eggs from primary markets.

The Crop and Livestock Reporting Service issues valuable poultry and egg information in the monthly Crop Production Report which is available to all farmers through radio, television, and newspapers. Also the highlights of this report are mailed to crop reporters from the State Statistician's office.

Here's what you'll find of interest to poultry and egg producers in the monthly Crop Production Report: Egg production reports give the number of layers during the month, eggs per 100 layers, and the total eggs produced. Intended purchases of baby chicks and potential layers on farms on the first of the month help the producer in making decisions as whether to increase or decrease the size of a flock. The number of chicks and young chickens

of a year's hatchings also is given in several issues of the Crop Report.

Weekly broiler chick placement reports are issued in 22 States and weekly hatchery reports in 11 States. Each month the production of liquid, frozen, and dried eggs and canned poultry is included in other reports issued by the Agricultural Estimates Division.

Each month, hatchery production information is published by the USDA. The number of salable chicks hatched, eggs in incubators, and turkey poults produced are published.

The Poultry and Egg Situation, published 6 times a year, will guide the producer in future operations. This publication points directly to the poultry industry. Then, there's the Demand and Price Situation and the Farm Income Situation which give general information for making future production plans. The Situation reports, which are distributed by request, analyze the economy and give forecasts to help the farmer choose a marketing date.

To Help You

Bulletins, circulars, and leaflets published by the USDA cover almost everything from poultry farm practices to marketing channels and methods. There are leaflets on ways to greater egg profits, and circulars on sanitizing methods for use in poultry processing.

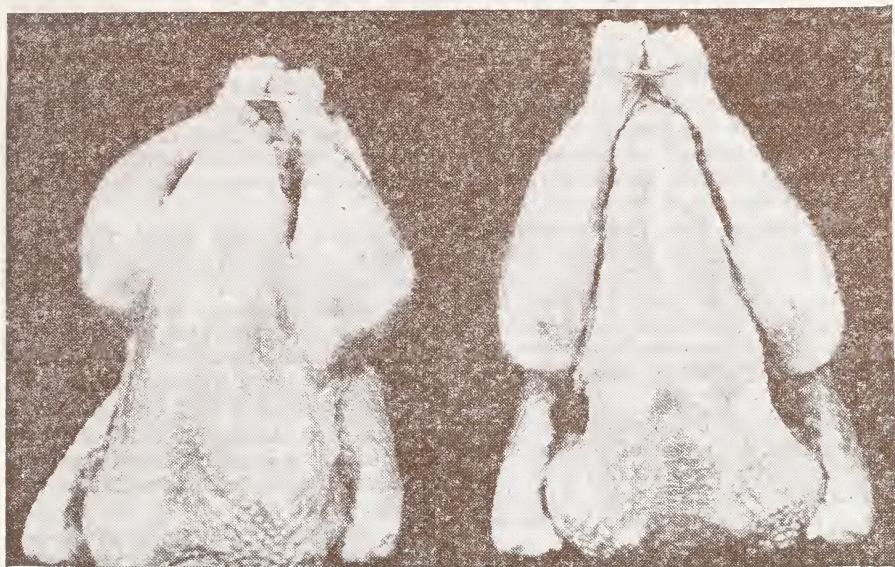
The USDA publishes standards and grades that show the farmer the quality he will need to obtain higher prices.

All of this information will help you farmers key your production to sell during low supply.

Teamwork is needed in any industry. If you producers understand the problems of processors, you will be able to do a better job of marketing your produce, and as a result, obtain a larger share of the consumer's dollar.

George A. Morton
Marketing Information Division, AMS

YOUNG CHICKENS



U.S. Grade A

U.S. Grade B



U.S. Grade C

Examples of young chickens illustrating United States grades. There are also grades for stewing chickens, turkeys, and eggs.

FARMERS' NET INCOME FOR FIRST 6 MONTHS TOTALS \$11.6 BILLION

Farmers' realized net income in the first half of 1956 was at an annual rate of approximately 11.6 billion dollars. This was about the same as in the first half of 1955 and a half billion dollars higher than the rate during the second half of 1955.

Cash receipts from farm marketings in the first half of this year totaled approximately 12.2 billion dollars, or almost the same as in the first half of 1955, as somewhat lower average prices of farm products were about offset by an increase in the volume of sales.

The estimate of total cash receipts for the first 6 months of 1956 includes a preliminary estimate for June. It also includes some revisions in the estimates previously published for the earlier months of the year.

Little Change in Costs

Production expenses as well as gross income showed little change from the first half of 1955 to the first half of 1956. Prices paid for the farm-supplied items of feed, seed, and feeder livestock all averaged considerably lower than in 1955. But this was largely offset by increases in property taxes, wage rates, and interest payments, as well as higher prices for some manufactured items.

Compared with the second half of 1955, realized net income rose in the first half of 1956 because seasonally adjusted gross income was on a higher level, only partly offset by a higher rate of production expenses.

The volume of farm marketings thus far this year has shown a smaller-than-seasonal decline from the second half of last year, and prices of farm products have averaged slightly higher. The result was an increase of about 800 million dollars in realized gross farm income on a seasonally adjusted annual rate basis.

Farm production expenses in the first half of 1956 were at an annual rate

about 300 million dollars higher than in the second half of 1955. Prices paid by farmers for commodities used in production were little changed on the average, but interest payments, taxes and wage rates were all on a higher level.

Farmers received about 7.7 billion dollars from marketings of livestock and products in the first half of 1956, and some 4.5 billion from crops. The total for livestock and products was down a little from the same period last year as lower average prices more than offset an increase in volume.

The crop total, however, was up slightly from a year earlier, with increases for corn, cotton, vegetables, and fruits.

In the livestock group, a 10 percent increase in dairy receipts was more than offset by smaller cash receipts from meat animals due to lower prices for hogs and cattle.

June Receipts Up Slightly

Total cash receipts from farm marketings in June are tentatively estimated at 2 billion dollars, up slightly from June 1955 as average prices of farm products showed their first increase in 1956 over the same month in 1955. June crop receipts are estimated at .7 billion dollars, and receipts from livestock and products at 1.3 billion.

Previously published monthly estimates of cash receipts from farm marketings for January-March 1956 were revised in the July issue of *The Farm Income Situation*.

The new estimates of cash receipts in the first quarter of 1956 are 307 million dollars higher than the estimates previously published, including an increase of 222 million in the crop total and 85 million in livestock and livestock products.

Ernest W. Grove
Agricultural Economics Division, AMS

FESCUE PRODUCTION IN SOUTHERN AREAS IS DOWN ABOUT 29 PERCENT

Looks like the 1956 production of tall fescue seed in the southern producing areas will be much smaller than last year and a third below average.

The forecast in the southern areas is 16,473,000 pounds of clean seed, 29 percent less than the 1955 crop of 23,088,000 pounds and 33 percent below the 1950-54 average production for the same States.

Northern Forecast Later

A forecast of production in northern producing areas including Idaho, Washington, and Oregon, where the crop is harvested much later, will be issued on August 17. Last December, 1955 production in these three States was estimated at 5,030,000 pounds, of which 4,500,000 was produced in Oregon.

Production is indicated to be below last year in each of the States covered in this report: Missouri, South Carolina, Georgia, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, and Oklahoma.

In Missouri, the crop is expected to be only about one-third of last year's. The Arkansas and Oklahoma crops are indicated at only about one-half of the 1955 crops.

Production in other States, compared with last year, is down as follows: Ala-

bama and Mississippi, 36 percent; Kentucky, 23; Georgia, 20; Tennessee, 15; and South Carolina, 8 percent. Production this year is also much below average in each of the States.

Tall-fescue acreage harvested for seed is estimated at 80,100 acres for the southern-producing areas compared with 104,500 acres last year and the 5-year average of 123,360 acres.

Relatively low prices for tall-fescue seed in recent years discouraged many farmers from harvesting a seed crop. Also a late and dry spring in many areas retarded growth of pasture grasses and some of the fescue acreage intended for seed had to be grazed.

Yields Are Good

Yields per acre were quite good in all States except Missouri. In 5 of the States—South Carolina, Tennessee, Alabama, Mississippi, and Oklahoma—yields per acre are indicated to be equal or exceed both last year and average. The yield is much above last year but still below average in Georgia, and somewhat lower than last year but about average in Kentucky and Arkansas.

Yield per acre of the 9 States is indicated at 206 pounds compared with 221 pounds in 1955 and the average of 198 pounds.

FARMERS' PRICES

Indexes (1910-14=100)	1955		1956			
	July	Year (average)	April	May	June	July
Prices received by farmers.....	236	236	235	242	247	244
Parity index (prices paid, interest, taxes, and wage rates).....	281	281	284	286	286	287
Parity ratio.....	84	84	83	85	86	85

Plentiful Foods

MONTHLY LIST

September

Turkeys and Rice Are Featured.

Other plentifuls are:

Broilers and Fryers . . . Beef . . .
Milk and Other Dairy Products . . .
Fresh Bartlett Pears . . . Summer
Vegetables . . . Peanut Butter . . .
Canned Tuna in Oil

FALL RICE PROMOTION

USDA will support the rice industry's promotion program with a Special Plentiful Foods Program for rice, scheduled to peak during the September 27 to October 6 period. The drive comes at a time when harvests from the 1956 crop are being marketed—adding to large supplies carried over from 1955. Support from the food trades through aggressive merchandising, and from the press through food pages and radio and television programs, will aim at increasing sales of rice through normal trade channels.

Farmer's share of consumer's
food dollar

June 1956	41 percent
May 1956	41 percent
June 1955	41 percent

UNITED STATES
DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

WASHINGTON 25, D. C.

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)